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Treasurer Tavares Announces Sale of “AmEx” Building

PROVIDENCE – General Treasurer Paul J. Tavares today announced that the Employees’ Retirement System of Rhode Island (ERSRI), through its limited liability company, Gateway Holdings, LLC, has sold the building, formerly known as the American Express Building, to RI Gateway Properties, LLC. The property was purchased by a joint venture led by Commonwealth Ventures, LLC, a real estate investment and development company.

The downtown building, located at 15 Park Row West, was sold for \$20 million on August 2, 2006. ERSRI had put in a bid of \$17.9 million in the bankruptcy court proceeding. The selling price of \$20 million exceeds the ERSRI bid by \$2.1 million.

“We are pleased to have negotiated a sale that is fair and beneficial to the State of Rhode Island,” said Treasurer Tavares. “The sale of the building, as well as the current occupancy, provides a positive cash flow to the State pension system.”

This sale eliminates the only direct real estate investment in the state pension fund’s \$7.3 billion portfolio.

The building is currently leased to Fidelity Real Estate Company, LLC. The three-year lease began in January 2006 at a rental rate of \$18 per square foot (\$2,044,962 per year). Fidelity began moving into the building in July.

The building includes a two-level parking garage with 150 spaces. Fidelity will be responsible for payment of operating expenses of the 113,609 square feet premises including, but not limited to, real estate taxes, property insurance and utilities.

Commonwealth and its partners own and operate three major downtown Providence office buildings: One Financial Plaza, the GTECH building presently under construction, and Gateway Center.